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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
Office of Economic Research
14 November 1967

MEMORANDUM

Free World Trade with North Vietnam

1. Free World trade with North Vietnam in 1966 amounted to about \$33.0 million or 10 percent of North Vietnam's total trade. Trade between NATO countries and North Vietnam amounted to about \$7 million in 1966 or about 21 percent of total North Vietnam-Free World trade. Japan accounted for slightly more than 45 percent of North Vietnam's trade with free world countries in 1966.

2. North Vietnam's trade with NATO countries in recent years has declined from \$10 million in 1965 to an estimated \$4 million for all of 1967. NATO exports to North Vietnam in 1966 slightly exceeded imports and in 1967 the small trade surplus may continue. NATO exports to North Vietnam were valued at \$5 million in 1965, \$3.9 million in 1966 and in 1967 might reach about \$2 million. NATO imports from North Vietnam were valued at \$5.2 million in 1965, \$3.3 million in 1966 and in 1967 probably will amount to less than \$2 million.* (See attached table)

3. North Vietnam's most important NATO trading partner, France, exported goods valued at about \$2.3 million to North Vietnam in 1966. Exports consisted mostly of leather, machinery, medicines and pharmaceuticals, wire and cables, and chemicals. During the first half of 1967 France exported goods valued at about \$500,000 consisting primarily of machinery, wire and cables, chemicals, medicines and pharmaceuticals. French imports from North Vietnam in 1966 amounted to about \$2.6 million and consisted primarily of coal, coffee, tea, spices, chemicals and raw materials. During the first half of 1967 French imports from North Vietnam declined to about \$450,000 and consisted primarily of coal, coffee, tea, spices, and chemicals.

* Imports from North Vietnam are c.i.f. and are therefore overstated by 5 to 10 percent and are not strictly comparable to f.o.b. exports.

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4. Italy, North Vietnam's second most important NATO trading partner, exported goods to North Vietnam valued at almost \$400,000 in 1966. Primary exports were vehicles and vehicle parts. Italian exports during the first half of 1967 are running at a lower monthly rate than in 1966 and consist primarily of vehicles, vehicle parts, and office machinery. Italian imports from North Vietnam amounted to only about \$143,000 in 1966, consisting primarily of natural rubber and other raw materials. During the first half of 1967 Italian imports from North Vietnam dropped to only \$54,000.

5. Belgium - Luxembourg exported about \$515,000 worth of goods to North Vietnam in 1966 consisting primarily of wire cables, metal plates and sheets and metal products. There have been no reported exports to North Vietnam during the first four months of 1967. Belgium - Luxembourg imported only about \$19,000 worth of goods from North Vietnam in 1966, primarily coffee, tea, and cocoa. During the first 3 months of 1967, imports were about \$1,000.

6. The Federal Republic of Germany exported about \$212,000 worth of goods in 1966, primarily leather and chemicals. For the first half of 1967 exports amounted to about \$148,000 with leather accounting for about half of the total. The Federal Republic of Germany imported about \$147,000 worth of goods from North Vietnam in 1966, primarily crude materials such as feathers and down. During the first half of 1967 imports amounted to about \$87,000 and consisted mainly of crude materials such as feathers.

7. Netherlands exports to North Vietnam amounted to about \$302,000 in 1966 and during the first seven months of 1967, about \$184,000. The main exports are chemical products and leather. Netherlands imports from North Vietnam amounted to about \$112,000 in 1966 and during the first seven months of 1967, about \$67,000. The main imports are handicraft products such as matting.

8. United Kingdom exports to North Vietnam amounted to about \$104,000 in 1966 and during the first seven months of 1967 rose to \$147,000. The main exports were transport equipment and chemicals. United Kingdom imports from North Vietnam amounted to about \$255,000 in 1966 and almost \$110,000 during the first half of 1967. The main import item was coffee.

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Attachment to CIA Memorandum
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	<u>Exports from North Vietnam b/</u>		<u>Exports to North Vietnam c/</u>	
	Thousand US \$			
	<u>1965</u>	<u>1966</u>	<u>1965</u>	<u>1966</u>
Total	23,423	20,477	14,832	12,543
NATO Countries	5,235	3,326	4,950	3,453
Canada	d/	d/	d/	d/
Belgium-Luxembourg	604	19	1,685	515
Denmark	0	0	75	9
France	3,021	2,643	2,124	2,290
West Germany	215	147	136	212
Greece	0	0	0	0
Iceland	0	0	0	0
Italy	435	143	633	393
Netherlands	573	112	93	302
Norway	4	7	0	22
Portugal	0	0	2	0
Turkey	0	0	0	0
United Kingdom	333	255	202	104
Other European Countries	146	213	115	40
Other Countries e/	13,042	16,933	9,767	8,650

a. Statistics are taken from official sources of the individual countries.

b. Reported c.i.f.

c. Reported f.o.b.

d. Canada does not report separate data for North and South Vietnam. However, trade, if any, with North Vietnam is small, probably consisting largely of pharmaceuticals.

e. Includes Japan, Hong Kong, Singapore, Cambodia.

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